

SENATOR GOODRICH: Mr. President and members of the body, what Senator Hefner is saying is that if you walked into a restaurant where, say Tony and Luigi's here in town, where you determine what the tip is, then that tip is not taxed, that you don't pay...there's no sales tax paid on the amount of the tip, the reason being that it's a service. If, however, you walked into the N Club where the tip is, the gratuity is predetermined, then they actually tax that tip, the gratuity in other words. And what we're trying to do is make the two of them be treated equally, since they're both service for the meal. I have no objection to the amendment and I would certainly encourage you to go ahead and adopt it.

SPEAKER NICHOL: Senator Newell.

SENATOR NEWELL: Mr. President and members of the Legislature, I am curious if this proposal has been discussed or heard in the committee. I'm not sure...I am wondering if it's an appropriate amendment at this time. And it's a policy issue which I don't know the impact of and I'm not sure too many other folks do either. Senator Hefner might want to answer, might want to respond to that because I generally have a longstanding principle not to be terribly excited about exemptions unless they've been rationally explained and discussed and heard and otherwise. If Senator Hefner would like to explain where the amendment came from or what the proposal is about.

SPEAKER NICHOL: Senator Hefner, would you respond please?

SENATOR HEFNER: Certainly, Senator Dave Newell. I'll be happy to respond to that. I've been visiting with Department of Revenue and they concur that this amendment would be okay, but they feel the way the law is written now that when a tip is predetermined, well, then sales tax should be added on to that. So, they said they or I understand that they have no problem with this amendment.

SENATOR NEWELL: Well, Mr. President, I'd like to ask if this is an appropriate, if this is a germane amendment, and since it has not been heard in Committee and there hasn't